

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWIN H. SNIFFEN
DARRELL T. YOUNG

IN REPLY REFER TO:

Board of Land and
Natural Resources
State of Hawaii
Honolulu, Hawaii

ISSUANCE OF A DIRECT HANGAR & FACILITIES LEASE
PACIFIC PUMP AND POWER, INC.
KONA INTERNATIONAL AIRPORT AT KEAHOLE
TMK: (3) 7-3-43: PORTION OF 003

HAWAII

REQUEST:

Issuance of a direct lease to Pacific Pump and Power, Inc. to develop, construct, operate, maintain and repair a hangar and related facilities at Kona International Airport at Keahole (KOA).

LEGAL REFERENCE:

Section 171-59(b), Hawaii Revised Statutes, as amended

APPLICANT:

Pacific Pump and Power, Inc. (PPP), a Hawaii corporation

LOCATION AND TAX MAP KEY:

Portion of Kona International Airport at Keahole, Kailua-Kona, Island of Hawaii, identified by Tax Map Key: 3rd Division, 7-3-43: Portion of 003.

PREMISES:

EXHIBIT B

Area/ Space No. 006-127, containing an area of approximately 249,206 square feet of unimproved, unpaved land

TERM OF LEASE:

Thirty-five (35) years

ITEM M-9

BLNR – ISSUANCE OF A DIRECT HANGAR AND FACILITIES LEASE
PACIFIC PUMP AND POWER, INC.
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LEASE COMMENCEMENT DATE:

To be determined by the Director of Transportation

ANNUAL RENTALS AND RENTAL REOPENINGS:

\$132,079.18 for years 1 through 5
\$151,891.05 for years 6 through 10
\$174,674.70 for years 11 through 15

Years 16 through 20: Rental Reopening at Fair Market Rent determined by Independent Appraisal (FMR) and no less than the annual rental of year 15 plus 115%
Years 21 through 25: Annual rental from year 20 of the lease term plus 115%
Years 26 through 30: Rental Reopening at FMR and no less than the annual rental of year 25 plus 115%
For years 31 through 35: Annual rental from year 30 of the lease term plus 115%

PERFORMANCE BOND:

Sum equal to the annual land rental then in effect

ZONING:

State Land Use District: Urban and Conservation
County of Hawaii: Industrial (MG-1a) and Open

LAND TITLE STATUS:

Section 5(a), Hawaii Admission Act Ceded
DHHL 30% entitlement lands Yes ___ No X

CURRENT USE STATUS:

Airport purposes

CHARACTER OF USE:

Development, construction, operation, maintenance and repair of a general aviation aircraft hangar and related facilities

PROPERTY CHARACTERISTICS:

Utilities: All utilities are not available at the site
Improvements: The requested land area is vacant

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

This project will have no significant impact as stated in the Final Environmental Assessment/Finding of No Significant Impact for the Airfield, Terminal and Facility Improvements for KOA as prepared for the State of Hawaii, Department of Transportation, Airports Division by Wilson Okamoto Corporation, Engineers and Planners under WOC Job No. 8027-01 for State Project No. AH2011-05, and dated March 2013.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Registered business name confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Good standing confirmed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

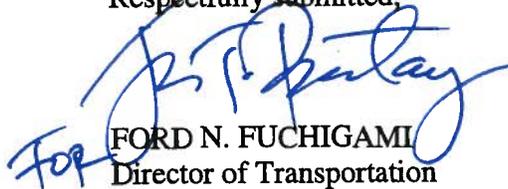
REMARKS:

In accordance with Subsection 171-59(b), HRS, as amended, relating generally to Management and Disposition of Public Lands and relating specifically to Disposition by negotiation, the Department of Transportation (DOT) proposes to issue a direct lease to PPP, for the development, construction, operation, maintenance and repair of a hangar and related facilities lease at KOA. The DOT has determined that the issuance of this direct lease encourages competition and is essential to the aeronautical and airport-related industries at KOA.

RECOMMENDATION:

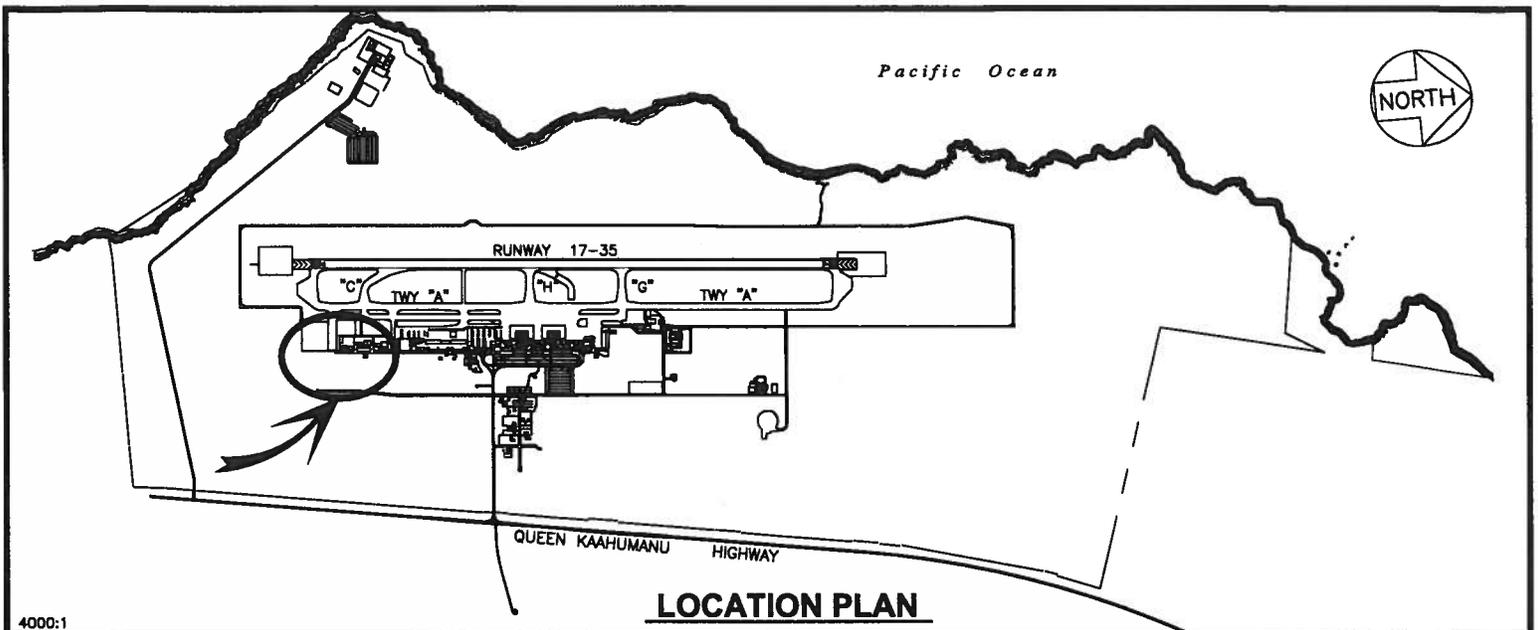
That the Board authorize the issuance of a direct hangar and facilities lease to PPP at KOA, subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to the lease form and content.

Respectfully submitted,

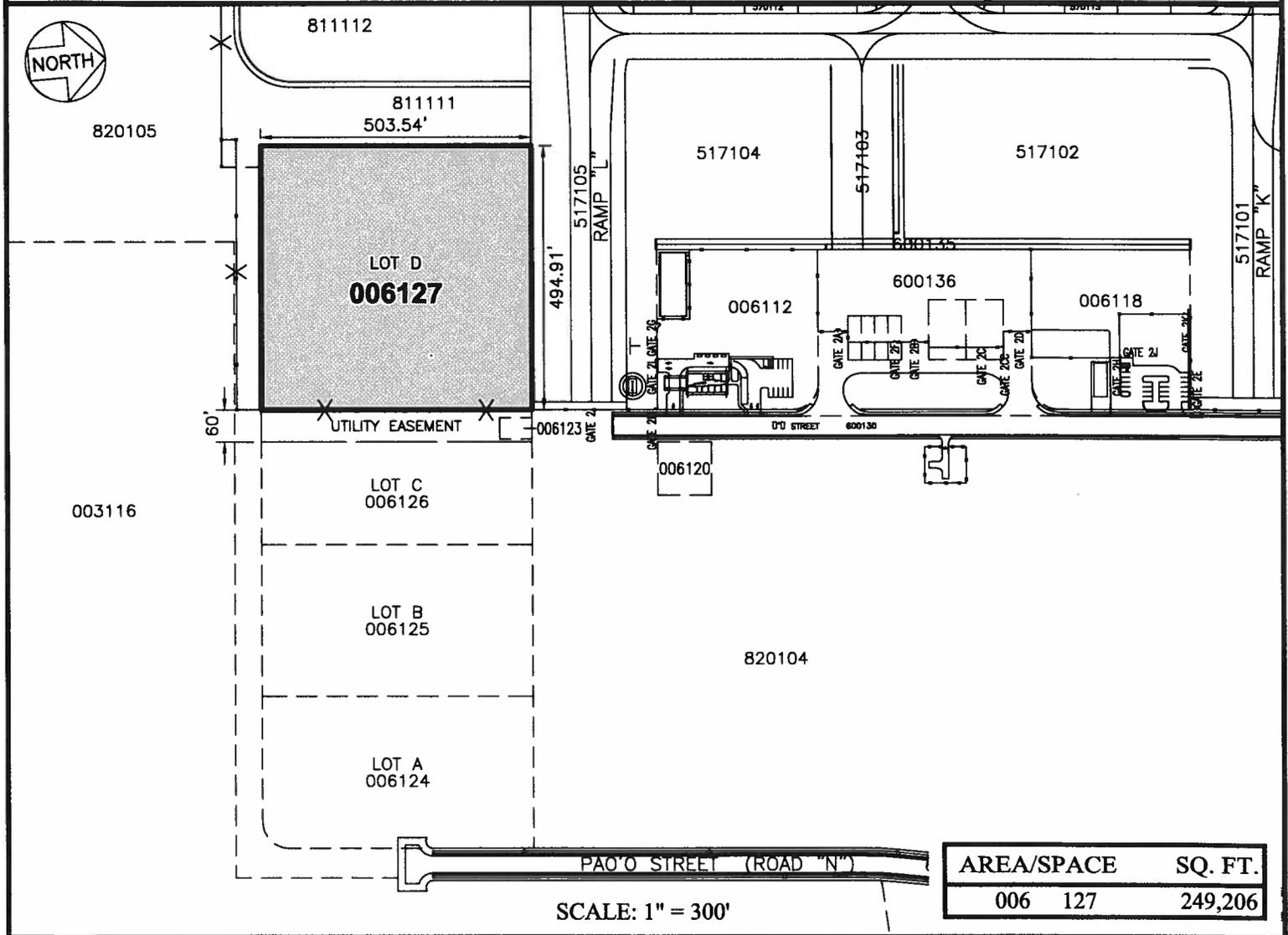

FORD N. FUCHIGAMI
Director of Transportation

APPROVED FOR SUBMITTAL:


SUZANNE D. CASE
Chairperson and Member



4000:1



DOTA-15-

DATE : JULY 2015

EXHIBIT: **B**



Airports Division

PACIFIC PUMP AND
POWER, INC.

LOT

006127

PLAT 40

KONA INTERNATIONAL AIRPORT AT KEAHOLE